

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

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Ref: ENF-L

BY U.S. MAIL

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Dear Counsel:

It has been a long time since June 28, 2005. At that time, EPA responded to your requests for further information and restated a settlement proposal for the Vermiculite Intermountain Site. Since that time, EPA has provided further information to Van Cott and has sought and received information from the Edwards Trust. Since there is cleanup that still needs to be performed at the Site, and the construction season is upon us, I am writing this letter in a last attempt to reach a global settlement among the parties.

Under the CERCLA statutory scheme, it is not EPA's duty to ultimately determine an equitable resolution among jointly and severally liable parties. I continue to believe that La Quinta's liability is minimal, as its liability only derives from a failure in appropriate inquiry. I

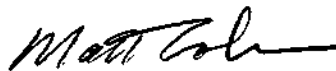


also believe that PacifiCorp has taken significant steps to address its liability in this matter. EPA has determined after a review of the Edwards Trust 104(e) that it will not, at this time, pursue the Edwards Trust for cost recovery.

In the hope that there may still be the possibility of a global settlement of this matter, EPA would like to suggest that the PRPs convene and attempt to reach a resolution. That resolution would have to provide EPA with full reimbursement of past and future response costs, potentially reduced by some realistic share to reflect EPA's claim against W.R. Grace. If the PRPs cannot reach resolution by May 5, 2006, EPA will entertain individual settlement proposals and move quickly towards completion of cleanup activities. EPA may vigorously pursue cost recovery for unrecovered response costs against any party which has not resolved its liability with EPA.

I would be happy to discuss any questions or proposals you might have. Please call me at (303) 312-6853.

Sincerely,



Matthew Cohn
Legal Enforcement Program

cc: Kelcey Land, ENF-RC
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